

# Unhedged Global Growth Share Fund

Fund Focus - December 2022



## Investment Strategy

The Fund invests in securities with high growth potential that are primarily listed on international stock exchanges. The Fund will be fully unhedged at all times, providing investors with exposure to foreign exchange fluctuations as well as underlying share price movements.

## Portfolio Characteristics

Funds Under Management	\$256.20m
Number of Holdings	92
Turnover Ratio %	36.54
Latest Distribution Date	30 June 2022
Latest Distribution Amount	0.1149
Benchmark	MSCI World (ex-Australia) Accumulation Index in \$A (net dividends reinvested)

## Fund Facts

APIR Code	ZUR0581AU
Inception Date	31 August 2009
Total Est. Management Cost %	0.98
Est. Transactional Op. Cost %	0.01
Buy/Sell Spread %	0.03
Distribution Frequency	Semi Annually
Underlying Fund Manager	American Century Investments

## Fund Performance After Fees\*

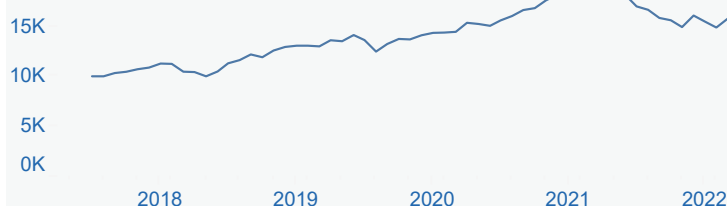
	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.00	0.00	3.51	2.96	5.61	3.76
Growth	-6.38	2.33	-22.45	1.09	3.90	7.41
Total	-6.38	2.33	-18.94	4.06	9.51	11.16
Benchmark	-5.49	3.95	-12.52	6.22	9.25	10.70

## Market Exposure



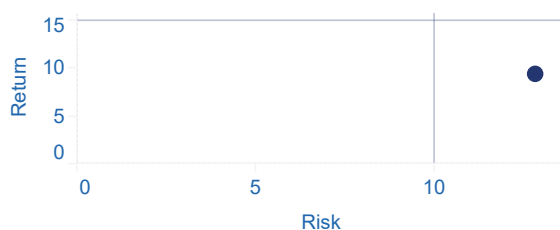
## Investment Growth (\$10,000)

1 Jan 2018 to 31 Dec 2022

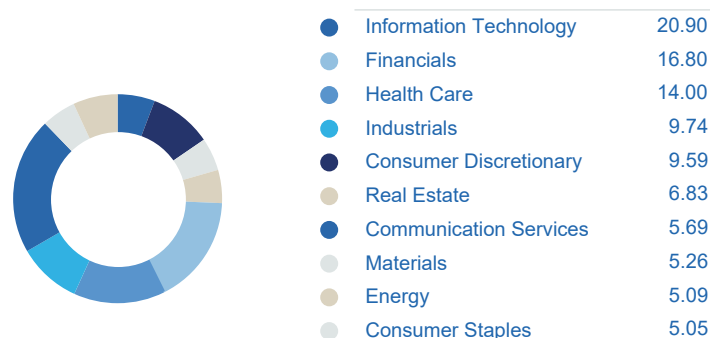


## Risk Reward

1 Jan 2018 to 31 Dec 2022



## Portfolio Equity Sectors (%)



## Top 10 Holdings (%)

	Weight	Benchmark
Microsoft Corp Commo	5.00	3.48
Alphabet Inc Common	2.91	2.09
Amazon.Com Inc Commo	2.89	1.58
Astrazeneca Plc Comm	2.43	0.00
Equinix Inc Reit Usd	2.31	0.12
Aia Group Ltd Common	2.18	0.27
Mastercard Inc Commo	1.98	0.62
Nxp Semiconductors N	1.79	0.09
Visa Inc Common Stoc	1.78	0.70
Cheniere Energy Inc	1.76	0.07

## Risk Statistics

1 Jan 2018 to 31 Dec 2022

Std Dev	12.81
Alpha	0.38
Beta	0.99
Sharpe Ratio (arith)	0.74
Up Capture Ratio	102.12
Down Capture Ratio	101.34
Currency Management %	0

## Market Commentary

Global equities rose in the fourth quarter with markets buoyed by hopes that moderating inflation and weakening growth might slow central banks' monetary tightening. While stocks gave back some ground in December, most markets ended the quarter with positive returns. Equities in Europe, the UK and Japan rallied in the quarter, as did emerging markets stocks. US stocks were up for the quarter but lagged non-US equities as investors weighed hopes for a Fed pivot over the impact of Fed tightening on economic growth and corporate earnings in 2023. Data released in December showed signs of softening economic growth.

## Fund Commentary

The Fund produced a solid return of 2.33% in the December quarter but was unable to keep pace with the strong index return.

AIA Group was a top positive contributor in the quarter. The Hong Kong-based insurer remains well positioned to benefit across life insurance and financial products in its core markets, with shares rising over the quarter on indications that China's economy would be reopening.

The key detractors included Amazon, Catalent and Cheniere Energy.

**Amazon** - Economic conditions, including a challenging labour market and supply chain issues, have made for a difficult environment for the e-commerce giant. The big picture offers hope for investors in cash flow generation provided by the massive number of Amazon Prime subscribers and strong market position in online shopping.

**Catalent** - The share price declined because of lower-than-expected revenue for the most recent fiscal quarter. The drugmaker also provided analysts with weaker guidance going forward. The market was disappointed with the firm's outlook, especially given that COVID-19-related product demand has already been included in its forecast.

**Cheniere Energy** - The business is supported by long-term contracts that underwrite its planned capacity expansion. It detracted from performance in the most recent period due to a disappointing quarterly earnings report. EBITDA was slightly less than analysts' projections, though expected future cash flow remains strong.

New purchases in the quarter included MarketAxess Holdings, The Estee Lauder Cos and Booz Allen Hamilton Holding while sales included Omnicell.

**MarketAxess Holdings** – The stock was purchased because price/mix is expected to start to lap difficult comparisons, resulting in an acceleration in top- and bottom-line growth. The company should continue to grow its market share in bond trading.

**The Estee Lauder Cos** - While macroeconomic concerns remain, channel expansion in key markets and loosening of mobility restrictions in China should result in an inflection in fundamentals. Demand remains supportive in the company's US and European segments.

**Booz Allen Hamilton Holding** - A position was initiated on signs of improving fundamentals and a strong demand backdrop. Current book-to-bill ratio is the highest in three years and the firm is a relatively attractive way to participate in the growing defence funding backdrop, without risks from supply chain challenges.

**Omniceil** – The position was fully exited after the company reported disappointing third-quarter results. The company is being negatively impacted by restrictions around capital expenditure at hospitals, which is elongating its sales cycle.

\* Performance returns quoted are compound rates of return calculated on exit prices and assume reinvestment of distributions. Returns are calculated net of all ongoing fees and any taxes payable by the fund. Total return includes both growth and distribution returns. Growth return is the change in exit price over the relevant period. The benchmark return shown is a gross return. Please note that figures shown are rounded to one decimal place, therefore some rounding errors may occur.  
 ^ The Estimated Total Management Cost of 0.98% includes an Estimated Performance Fee of 0% and Estimated Indirect Costs of 0.00%.

Past performance is not a reliable indicator of future performance.

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